

WILLMAR CITY COUNCIL PROCEEDINGS
COUNCIL CHAMBERS
WILLMAR MUNICIPAL UTILITIES BUILDING
WILLMAR, MINNESOTA

November 3, 2003
7:00 p.m.

The regular meeting of the Willmar City Council was called to order by the Honorable Mayor Lester Heitke. Members present on a roll call were Mayor Heitke, Council Members Doug Reese, Ron Christianson, Bruce DeBlieck, Denis Anderson, Nancy Houlahan, Rick Fagerlie, Jim Dokken, and David Chapin; Present 9, Absent 0.

Also present were City Administrator Michael Schmit, City Attorney Richard Ronning, Fire Chief Marv Calvin, Public Works Director Mel Odens, Finance Director Steven Okins, Planning and Development Services Director Bruce Peterson, Community Education and Recreation Director Steve Brisendine, and City Clerk Kevin Halliday.

Mayor Heitke acknowledged and welcomed Troop 227 Boy Scouts working on their "Citizenship in the Community" Merit Badge.

The October 27, Municipal Utilities Commission Minutes and October 22, 2003, Planning Commission Minutes were removed from the Consent Agenda.

Council Member Reese offered a motion adopting the Consent Agenda which included the following: City Council Minutes of October 20, Rice Hospital Board Minutes of October 29, Kandiyohi Area Transit Minutes of September 23, October 1 and 21, Senior Citizens Council Minutes of October 1, 2003; and Lawful Gambling Exempt Permit for the Knights of Columbus. Council Member Christianson seconded the motion, which carried.

Mayor Heitke requested clarification on the Planning Commission item regarding David Rose Industrial Building Plan. Following discussion, the Planning Commission Minutes of October 22, 2003, were approved as presented and ordered placed on file in the City Clerk's Office upon motion by Council Member Christianson, seconded by Council Member Chapin, and carried.

Senator Dean Johnson and Representative Alan Juhnke appeared before the Mayor and Council to present their annual report on Legislative activities. Items discussed included the Highway 12 Improvement Project estimated at \$88 million and scheduled for years 2004/2005, bonding bill for the 2004 legislature, planning for the future with a 6500-foot runway at the local airport, Willmar Regional Treatment Center program changes and future property sale, railroad bypass spur in the new industrial part, local option sales tax proposals, and trail improvements.

Glen Bangen, Doug Strand and Lee Wierschem addressed the City Council during its scheduled Open Forum regarding the Blue Line Club. The BLC is proposing to install artificial ice in a gravel base without adding a concrete surface due to the extra cost. The BLC was asking the City to give its approval to the capital improvement and to waive all building permit fees. It was the consensus of the Council that the Blue Line Club project be referred to the Public Works/Safety Committee for consideration.

The Finance Committee Report for October 27, 2003, was presented to the Mayor and Council by Council Member Anderson. There were four items for Council consideration.

Item No. 1 Rice Hospital CEO Lorry Massa appeared before the Committee to discuss

the Hospital's recent purchase of Rice Home Medical. Since its inception, Rice Home Medical has been under the joint ownership of Rice Hospital and Rice Health Foundation. The recent purchase transaction places Rice Hospital in a 99 percent ownership position. The 1 percent ownership position of Rice Health Foundation was maintained in order to take advantage of the benefits enjoyed by a limited liability partnership. This matter was for information only.

Item No. 2 Connie Schmoll, Shelter House, Inc. Executive Director, appeared before the Committee to discuss plans to construct a residential shelter in Willmar. Ms. Schmoll explained that the goal of the Shelter House, Inc. new building project is to construct a safe, accessible and adequate facility to provide emergency shelter and support services – a facility that builds safe families and safe communities.

The Committee reviewed the Project's funding plan noting that over \$1 million has been raised for the \$1.4 million project schedule to begin construction in the Spring of 2004. Executive Director Schmoll was requesting a \$20,000 capital contribution from the Willmar City Council.

The Committee was recommending to the Council that the City contribute \$20,000 to the Shelter House, Inc. new building project and that the funds be appropriated from the existing Expired Capital Project's Fund. Resolution No. 1 was introduced by Council Member Anderson, seconded by Council member Dokken, read by Mayor Heitke, and approved on a roll call vote of Ayes 8, Noes 0.

RESOLUTION NO. 1

BE IT RESOLVED by the City Council of the City of Willmar to authorize the Finance Director to amend the General Fund.

Decrease:	Expired Capital Improvement Reserve	\$ 20,000
Increase:	Shelter House Organization	\$ 20,000

Dated this 3rd day of November, 2003.

/s/ Lester Heitke
MAYOR

/s/ Kevin Halliday
Attest: CITY CLERK

Item No. 3 The Committee continued its discussion of the CenterPoint Energy Minnegasco franchise fee. Staff had been previously directed to develop a fixed fee schedule, minimizing monthly costs to residential properties. The proposed fixed fee schedule was reviewed in detail along with cost pro formas provided by CenterPoint Minnegasco.

No action was taken on this matter and the proposal to include the fixed fee in the proposed 2004 Budget was referred to the full Council for further discussion.

Council Member Anderson offered a motion to remove from the table the Ordinance Granting a Franchise to CenterPoint Energy Minnegasco. Council Member DeBlieck seconded the motion, which carried. Council Member Anderson moved to adopt the Ordinance with a fixed fee schedule and Council Member Houlahan seconded the motion. Discussion of changes proposed for a fixed fee versus the percentage fee in the published Ordinance was deemed to be significant and required a new hearing. Council Member Anderson withdrew his motion and Council Member

Houlahan withdrew the second.

Council Member Anderson moved to introduce the Ordinance Granting a Franchise to CenterPoint Energy Minnegaso and Establishing Terms and Conditions with a fixed-fee schedule and to schedule a hearing for November 17, 2003. Council Member Houlahan seconded the motion, which carried.

Item No. 4 The Committee continued its discussion of a proposed local option sales tax and project eligibility criteria. The projects under consideration include: Industrial Park/Airport, Wastewater Treatment Plant, Civic Center/Blue Line Club buildings, fairground relocation, purchase/redevelopment of WRTC, Downtown parking ramp, and community hiking/biking trails. It was the consensus of the Committee that all Council Members should be involved in the selection of projects to be included in a referendum vote and referred this matter to the City Council for further discussion.

Council Member Anderson offered a motion to remove from the table the local option sales tax issue. Council Member Houlahan seconded the motion, which carried. The Mayor conducted a voice vote on each proposed project to determine which projects should be included in the sales tax bonding proposal and election. The projects received the following votes: Airport/Industrial Park, 8-0; Wastewater Treatment Plant, 1-7; Blue Line Center improvements, 4-4; Fairground relocation, 3-5; Willmar Regional Treatment Center, 3-5; and Downtown parking ramp, 0-8; hiking/biking trails, 6-2. The matter was referred back to the Finance Committee for additional discussion.

The Finance Committee Report for October 27, 2003, were approved as presented and ordered placed on file in the City Clerk's Office upon motion by Council Member Anderson, seconded by Council Member Chapin, and carried.

The Community Development Committee Report for October 30, 2003, was presented to the Mayor and Council by Council Member DeBlieck. There were three items for Council consideration.

Item No. 1 Mike Nitchals, WMU General Manager, appeared before the Committee to present a summary of the Building and Facilities Assessment Study. Bob Bonawitz, Municipal Utilities Commission member, also presented information regarding the concept of combining WMU and Kandiyohi Power Cooperative into a Public Utilities District (PUD). Following discussion, the Committee was recommending to the Council that the Willmar Municipal Utilities and Kandiyohi Power Cooperative continue the PUD evaluation process.

The Mayor called on Mike Nitchals, WMU General Manager, and Bob Bonawitz and Marv Kray, WMU Commissioners, who presented an overview of the evaluation process noting that the study will include a PUD, Allied Power or other consolidated entity. Council Member DeBlieck moved to approve the recommendation of the Community Development Committee with Council Member Dokken seconding the motion, which carried.

Item No. 2 A proposal for an affordable housing project for working families was presented to the Committee by the Greater Minnesota Housing Fund and Southwest Minnesota Housing Partnership. The Building Better Neighborhoods Program has specific neighborhood design and local government assistance requirements. Financial assistance from the Greater Minnesota Housing Fund includes homebuyer's gap financing and project interim financing.

The proposed Willmar project is a 22-acre, mixed income, single-family development. Need was documented in a 2002 housing market study, and housing units are to be affordable to entry-level working families.

Drawings of lots with varying development costs were presented. Arguments were made for reduced lot sizes, setbacks, and right-of-way widths. Two specific site development options were discussed with both options including the use of some alleys. Proposed lots were as narrow as 55 feet with 3 foot to 5 foot side setbacks. A planned unit development was requested to allow flexibility in development standards. Staff pointed out that the proposed development was not consistent with City planned unit development standards.

The group requested two things from the Council: flexibility in design standards and tax abatement/tax increment financing. No action was taken by the Committee, and this matter was for information only.

Item No. 3 Discussion on proposed standards for exterior maintenance of residential structures was deferred until the next Committee meeting. This matter was for information only.

The Community Development Committee Report for October 30, 2003, was approved as presented and ordered placed on file in the City Clerk's Office upon motion by Council Member DeBlieck, seconded by Council Member Dokken and carried.

Pursuant to the action taken on the PUD evaluation process, the Municipal Utilities Commission Report for October 27, 2003, was approved as presented and ordered placed on file in the City Clerk's Office upon motion by Council Member DeBlieck, seconded by Council Member Dokken and carried.

City Administrator Schmit presented to the Mayor and Council for consideration a Resolution regarding General Obligation Revenue Waste Treatment Plant Bonds to finance the remaining three RBC's and biofilter costs. Following discussion, Resolution No. 2, Calling for a Public Hearing on an Ordinance Authorizing the Issuance of \$1,410,000 General Obligation Revenue Waste Treatment Plant Bonds, Series 2004 was introduced by Council Member Anderson, seconded by Council Member Dokken, and carried.

RESOLUTION NO. 2

CALLING FOR A PUBLIC HEARING ON AN ORDINANCE AUTHORIZING THE ISSUANCE OF \$1,410,000 GENERAL OBLIGATION REVENUE WASTE TREATMENT PLANT BONDS, SERIES 2004A

(For Resolution in its entirety, see Council proceedings file dated
November 3, 2003, located in the City Clerk's Office)

City Clerk Halliday informed the Mayor and Council that the Willmar Municipal Utilities Commission has requested the certification of unpaid utility charges of various properties as a lien on real property. The MUC has offered a hearing to the property owners but received no requests for appearance. Following discussion, Resolution No. 3 was introduced by Council Member Christianson, seconded by Council Member Chapin, read by Mayor Heitke, and approved on a roll call vote of Ayes 8, Noes 0.

RESOLUTION NO. 3

WHEREAS, Section 16-127 of the Willmar City Code states that such unpaid utility bills represent a lien on the real property receiving utility services; and

WHEREAS, the Willmar Municipal Utilities Commission has offered the owner the right to request an appearance before the Commission to make objections to payment; and

WHEREAS, the Willmar Municipal Utilities Commission has adopted Resolution No. 40 on October 27, 2003, requesting the Willmar City Clerk-Treasurer to certify the unpaid utility charges as a lien on the real property.

NOW, THEREFORE, BE IT RESOLVED by the City Council of the City of Willmar that the amount of the unpaid utility charges totaling \$2,022.64 be certified to the County Auditor to be extended on the tax rolls of such real property in the same manner as other taxes for collecting in 2004 and collected by the County Treasurer, and paid to the City Clerk-Treasurer along with other taxes; and

BE IT FURTHER RESOLVED that the unpaid utility charges be certified against the real property as follows:

- | | | |
|----|--|----------|
| 1. | Parcel No. 95-006-2290
Located at 608 7 th Street SW
Described as Section 15, Township 119,
Range 35, Block 73
First Addition to Willmar;
Lot 2; N5Ft. of Lot 3 | \$348.31 |
| 2. | Parcel No. 95-042-0470
Located at 701 17 th Street SW
Described as Section 16, Township 119
Range 35, Block 1
Barnstad's Second Addition to Willmar
W 167.5' of Lot 22 Exc S 16' | \$483.27 |
| 3. | Parcel No. 95-280-0090
Located at 825 5 th Street SW
Described as Section 15, Township 119,
Range 35, Block 1
Hanson's Addition to Willmar
Lot 8 Exc E 55 Ft S 1/2 of Lot 9
Exc E 55 Ft | \$168.30 |
| 4. | Parcel No. 95-006-1690
Located at 621 3 rd Street SW
Described as Section 15, Township 119,
Range 35, Block 68
First Addition to the Town of Willmar
Lot 9, & S 20 Ft of Lot 10 | \$214.51 |
| 5. | Parcel No. 95-222-1110
Located at 606 Charlotte Street SE
Described as Section 14, Township 119,
Range 35, Block 6
Ferrings 2nd Addition to Willmar | \$171.39 |

Lot 21 & N 23 Ft of Lot 20

- | | | |
|-----|--|----------|
| 6. | Parcel No. 95-220-0740
Located at 214 Anthony Street SE
Described as Section 14, Township 111,
Range 35, Block 7
Ferrings Addition to the Town of Willmar
Lot 4 & S1/2 of Lot 3
FHA Case No. 271-15831-203 | \$129.17 |
| | | |
| 7. | Parcel No. 95-184-0960
Located at 524 14 th Street SE
Described as Section 14, Township 119,
Range 35, Lot 6, Block 7
Erickson's Third Addition to Willmar | \$149.63 |
| | | |
| 8. | Parcel No. 95-715-0910
Located at 2501 Williams Parkway SW
Described as Section 21, Township 119,
Range 35, Lot 1, Block 1
Southgate Addition
Second Addition to Willmar | \$141.75 |
| | | |
| 9. | Parcel No. 95-603-0380
Located at 1617 16 th Avenue NW
Described as Section 04, Township 119,
Range 35, Lot 28, Block 2
Oslo Heights | \$106.60 |
| | | |
| 10. | Parcel No. 95-340-0350
Located at 2020 7 th Street SW
Described as Section 22, Township 119,
Range 35, Block 3
Hilltop Park
S 20 Ft of Lot 4 & N 60 Ft of Lot 5 | \$109.71 |

Dated this 3rd day of November, 2003.

/s/ Lester Heitke
MAYOR

/s/ Kevin Halliday
Attest: CITY CLERK

City Clerk Halliday informed the Mayor and Council that according to Minnesota Statutes, senior citizens meeting certain income guidelines can defer special assessments placed against homestead property. It was noted one individual has requested such deferment. Following discussion, Resolution No. 4 was introduced by Council Member DeBlieck, seconded by Council Member Fagerlie, read by Mayor Heitke, and approved on a roll call vote of Ayes 8, Noes 0.

RESOLUTION NO. 4

WHEREAS, the City Council of the City of Willmar, Minnesota, did order the reconstruction of certain streets during the year 2003; and

WHEREAS, Minnesota Statutes, Sections 435.193 to 435.195 allows local governments making a special assessment to defer the payment of that assessment for any homestead property owned by a person 65 years of age or older or retired by virtue of a permanent and total disability; and

WHEREAS, certain property owners have made application to the City for delayed payment of tax on special assessments and have met the criteria contained in Minnesota Statutes for said deferment.

NOW, THEREFORE, BE IT RESOLVED by the Willmar City Council that special assessments as hereinafter designated be certified to the County and deferred for the years of 2004 through 2013 with interest at the annual rate of five and seventy-one hundredths (5.71%) percent.

BE IT FURTHER RESOLVED that the option to defer payments will terminate and all deferred payments and interest become payable if a) the owner dies and the surviving spouse is not eligible; b) the property or a portion of the property is sold, transferred or subdivided; c) the property loses its homestead status; or d) the City determines that to require immediate or partial payment would not create a hardship.

Agnes K. Lane	95-665-0410	\$5,956.25
1001 9 th Street Southeast	Lot 1, Block 3, Perkins Fifth Addition	

Dated this 3rd day of November, 2003.

/s/ Lester Heitke
MAYOR

/s/ Kevin Halliday
Attest: CITY CLERK

City Clerk Halliday informed the Mayor and Council that pursuant to 2003 street and other improvement assessment, various benefited property lies outside City limits and cannot be collected. In the best interest of the public, the pendency of such assessments should be recorded against the property. Resolution No. 5 was introduced by Council Member Reese, seconded by Council Member Chapin, read by Mayor Heitke, and approved on a roll call vote of Ayes 8, Noes 0.

RESOLUTION NO. 5

WHEREAS, the City of Willmar has numerous assessments which cannot be collected because the benefited property lies outside of the city limits of the City of Willmar; and

WHEREAS, the City Council believes it to be in the best interests of the City of Willmar as well as the public to be aware of the pendency of such assessments;

NOW, THEREFORE, BE IT RESOLVED by the City Council of the City of Willmar that the potential assessments to be levied against the real estate described below be filed in the Office of the Kandiyohi County Recorder for purposes of advising the public of the pendency of such potential assessments:

33-023-0070; Duininck Bros., Inc.; \$5,455.89; 2390 First Street South, Willmar, MN

Section 23, Township 119, Range 35 NE $\frac{1}{4}$ of SW $\frac{1}{4}$, that part of the SE $\frac{1}{4}$ of SW $\frac{1}{4}$ lying NE'ly of Co. Ditch #23 & that part of the NW $\frac{1}{4}$ of SW $\frac{1}{4}$ described as follows: Commencing at the SW corner of said NW $\frac{1}{4}$ of SW $\frac{1}{4}$, thence North to a point 1108 feet South of NW corner of said NW $\frac{1}{4}$ SW $\frac{1}{4}$, thence East 550 feet, thence North 225 feet more or less to a point on a line parallel to and distant 883 feet south of North line of said NW $\frac{1}{4}$ SW $\frac{1}{4}$, thence East to a point 660 feet West of East line of said NW $\frac{1}{4}$ SW $\frac{1}{4}$, thence South to a point 990 feet South of North line of said NW $\frac{1}{4}$ SW $\frac{1}{4}$, thence East to point on East line of NW $\frac{1}{4}$ SW $\frac{1}{4}$, thence South along East line of said NW $\frac{1}{4}$ SW $\frac{1}{4}$ to South line of said NW $\frac{1}{4}$ SW $\frac{1}{4}$, thence West to point of beginning, except that part described as follows: Commencing at the Northwest corner of said SW $\frac{1}{4}$, thence South 883 feet to point of beginning of tract herein described, thence East 666.91 feet, thence South 150 feet, thence West 666.97 feet, thence North 150 feet to point of beginning, and except the Northerly 135 feet of NE $\frac{1}{4}$ of SW $\frac{1}{4}$.

33-004-0050; Myron Lee and Ellen L. Radel; \$27,588.96; 2926 15th Ave NW, Willmar MN
Section 04, Township 119, Range 35 The S $\frac{1}{2}$ of SW $\frac{1}{4}$ of SW $\frac{1}{4}$

Dated this 3rd day of November, 2003.

/s/ Lester Heitke
MAYOR

/s/ Kevin Halliday
Attest: CITY CLERK

City Clerk Halliday informed the Mayor and Council that the City has received an application for the renewal of a Currency Exchange License from Bennett Ventures, Inc. d.b.a. Ace Cash Express. Minnesota Statutes requires the governing body to publish notice of its intention to consider the license. Council Member Christianson move to schedule a hearing for November 17, 2003, to consider the renewal of the Bennett Ventures, Inc. d.b.a. Ace Cash Express Currency Exchange License. Council Member Chapin seconded the motion, which carried.

Planning and Development Services Director Peterson presented to the Mayor and Council a Final Plat for Sunrise Estates Second Edition, an eight-lot plat for twin-home PUD. It was noted the Planning Commission has reviewed and approved of the Plat. Council Member Reese moved to approve the Final Plat for Sunrise Estates Second Edition with Council Member Fagerlie seconding the motion, which carried.

Announcements for Council Committee meeting dates were as follows: Public Works/ Safety, November 10; Finance, November 12; and Community Development, November 13, 2003.

There being no further business to come before the Council, the meeting adjourned at 10:04 p.m. upon motion by Council Member Reese, seconded by Council Member Dokken, and carried.

Attest:

MAYOR

SECRETARY TO THE COUNCIL